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Hearing Date and Time:
January 17, 2008 at 10:00 a.m.
Objection Deadline and Time:
January 11, 2008 at 4:00 p.m.

Counsel for Kilroy Realty, L.P.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

)	
In re:)	Chapter 11
)	
DELPHI CORPORATION, et al.,)	Case No. 05-44481(RDD)
)	
)	
)	(Jointly Administered)
Debtors.)	
)	
)	

**KILROY REALTY, L.P.'S LIMITED OBJECTION TO THE DEBTORS' MOTION FOR
ORDER PURSUANT TO 11 U.S.C. §§105(a) AND 502(c) ESTIMATING OR
PROVISIONALLY ALLOWING CERTAIN UNRECONCILED CLAIMS SOLELY FOR
PURPOSES OF ADMINISTRATION OF DISCOUNT RIGHTS OFFERING**

Kilroy Realty, L.P. ("Kilroy"), for its objection to the "Debtors' Motion For Order
Pursuant To 11 U.S.C. §§105(A) And 502(c) Estimating or Provisionally Allowing Claim Solely
for Purposes of Administration of Discount Rights Offering," dated December 28, 2007 (the
"December Estimation Motion"), respectfully represents as follows:

FACTS

1. Kilroy, as landlord, and Packard Hughes Interconnect Company
("Packard") and Delphi Automotive Systems LLC ("Delphi"), as co-tenants, are parties to a lease
(the "Lease") for real property located in Irvine, California.

2. Pursuant to the “Notice of Rejection of Unexpired Lease and Abandonment of Personal Property,” dated June 29, 2006, the Lease was rejected as of July 13, 2006 (the “Rejection Date”). The rejection notice required Kilroy to file a proof of claim on or before the later of the general bar date (July 31, 2006) or 30 days from the Rejection Date (August 13, 2006).

3. On July 31, 2006, Kilroy filed proof of claim number 13268 against Delphi (the “Delphi Claim”) and proof of claim number 13269 against Packard (the “Packard Claim”) and together with the Delphi Claim, the “Proofs of Claim”). The Proofs of Claim assert claims related to the Lease. Annexed to each Proof of Claim are the relevant documents and a rider describing, in detail, the nature and amount of Kilroy’s claims.

4. On or about October 31, 2006, the Debtors filed the Third Omnibus Objection to Claims (the “Objection”) objecting to the Proofs of Claim. By the Objection, the Debtors seek to disallow and expunge the Proofs of Claim on the conclusory grounds that they are “Unsubstantiated Claims” meaning the claims “assert liabilities or dollar amounts that the Debtors have determined are not owing pursuant to the Debtors’ books and records.” (Objection at 11-12.)

5. On or about November 21, 2006, Kilroy filed its response to the Objection together with the affidavit of Vice President of Asset Management for Kilroy Realty, L.P., sworn to on November 20, 2006 (the “Affidavit”). (Docket No. 5618, incorporated herein by reference). The Affidavit and exhibits annexed thereto (including the Proofs of Claim and Lease) set forth, in detail, the evidentiary basis for and calculation of Kilroy’s claims against Delphi and

Packard and quantifies most claims that were unliquidated at the time the Proofs of Claim were filed.

6. Delphi and Packard have not yet initiated the claims objection procedure approved by the Court.

7. On or about September 7, 2007, the Debtors filed their “Motion for Order Pursuant to 11 U.S.C. §§ 105(A) and 502(c) (A) Estimating and Setting Maximum Cap on Certain Contingent Or Unliquidated Claims and (B) Approving Expedited Claims Estimation Procedures” (the “September Estimation Motion”). In the September Estimation Motion, the Debtors sought to cap the Delphi Claim at \$3 million and to cap the Packard Claim at \$0.

8. On or about September 21, 2007, Kilroy filed its objection to the September Estimation Motion. Kilroy objected to capping the Packard Claim at \$0 because Packard is jointly and severally liable with Delphi on Kilroy’s claims and to the extent Kilroy did not recover its claims in full from Delphi, Kilroy should be entitled to recover on its claims from Packard. Kilroy consented to capping the Delphi Claim at \$3 million.

9. On or about October 1, 2007, this Court “so ordered” the “Joint Stipulation and Agreed Order Consolidating and Setting Maximum Liability for Proof of Claim Numbers 13268 and 13269 (Kilroy Realty LP).” The Stipulation consensually resolved the September Estimation Motion, provides for the Delphi Claim to be capped at \$3 million and for the Packard Claim to be expunged; provided, that Kilroy may reassert the Packard Claim under certain circumstances.

The Response

10. The December Estimation Motion seeks to reduce the cap on the Delphi Claim from \$3 million to \$2,186,444.67 for purposes of determining the extent of Kilroy's participation in the Discount Rights Offering (as defined in the December Estimation Motion). Kilroy has provided documentation to the Debtors evidencing a claim against Delphi in excess of \$2,186,444.67. Accordingly, the December Estimation Motion should be denied as to the Delphi Claim.

11. Kilroy and the Debtors have negotiated and Kilroy believes the parties have reached a settlement that will resolve the Objection and the December Estimation Motion. As of this date, the parties are documenting the agreement. Kilroy will withdraw this limited objection if the parties complete documentation of the agreement prior to the hearing on the December Estimation Motion. Unless and until the parties finalize the settlement agreement, Kilroy should be entitled to participate in the Discount Rights Offering for the full amount of its claim.

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CONCLUSION

For the foregoing reasons, the Court should deny the December Estimation

Motion as it relates to the Delphi Claim.

Dated: Uniondale, New York
January 11, 2008

ROSEN SLOME MARDER LLP

By: /s/ Jil Mazer-Marino
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